

revenue from Federal contracts to disclose the names and salaries of their most highly compensated officers, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3928

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Funding Transparency Act of 2008".

SEC. 2. FINANCIAL DISCLOSURE REQUIREMENTS FOR CERTAIN RECIPIENTS OF FEDERAL AWARDS.

(a) DISCLOSURE REQUIREMENTS.—Section 2(b)(1) of the Federal Funding Accountability and Transparency Act (Public Law 109-282; 31 U.S.C. 6101 note) is amended—

(1) by striking "and" at the end of subparagraph (E);

(2) by redesignating subparagraph (F) as subparagraph (G); and

(3) by inserting after subparagraph (E) the following new subparagraph:

"(F) the names and total compensation of the five most highly compensated officers of the entity if—

"(i) the entity in the preceding fiscal year received—

"(I) 80 percent or more of its annual gross revenues in Federal awards; and

"(II) \$25,000,000 or more in annual gross revenues from Federal awards; and

"(ii) the public does not have access to information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.".

(b) REGULATIONS REQUIRED.—The Director of the Office of Management and Budget shall promulgate regulations to implement the amendment made by this Act. Such regulations shall include a definition of "total compensation" that is consistent with regulations of the Securities and Exchange Commission at section 402 of part 229 of title 17 of the Code of Federal Regulations (or any subsequent regulation).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. TOWNS) and the gentleman from Virginia (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from New York.

Mr. TOWNS. Mr. Speaker, I yield 5 minutes to Chairman WAXMAN, the gentleman from California.

Mr. WAXMAN. Mr. Speaker, my colleagues, this is the third of the three bills we had before us out of the Oversight and Government Reform Committee dealing with contracting issues. And I rise in strong support of this bill, H.R. 3928, the Government Funding Transparency Act. This bill requires contractors and other entities that are dependent on taxpayers funds for more than 80 percent of their annual gross revenue to disclose the names and salaries of their most highly compensated officials.

This requirement is similar to requirements that already apply to publicly traded companies under the rules of the Security and Exchange Commission and to nonprofit organizations through the Tax Code. It is based on a

very simple principle. If you receive the vast amount of your revenue from the public, then the public has a right to know how that money is being spent.

The need for this bill became evident when the head of Blackwater, the private security military company, refused to tell Congress how much it earns, how much he earns. Blackwater gets almost all of its revenue from contracts with the Federal Government, yet Eric Prince, the head of the company, refused to answer Congressman MURPHY when Mr. MURPHY asked how much he earned.

As originally introduced by Representative MURPHY last October, H.R. 3928 would have applied only to government contractors. Some felt that this approach unfairly singled out those entities, and we worked with the ranking member of the committee, Representative TOM DAVIS, to address this concern. And I believe that the result is a much stronger bill.

The measure before us today applies to any entity that receives government funding, whether through a contract, grant, cooperative agreement, subsidy or any other form of Federal funding. The measure will bring much needed sunshine to how tax dollars are spent, including on contracts. Under the bill, companies that are privately held that receive the vast majority of their revenues from taxpayers' dollars would be required to disclose the salaries of their top officers.

I want to congratulate and express my appreciation to Congressman MURPHY for introducing this commonsense bill. American taxpayers have a right to know where their hard earned dollars are going.

I commend the sponsor and those who have worked on this bill on both sides of the aisle. And I urge my colleagues to support this bipartisan piece of legislation.

Mr. DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

(Mr. DAVIS of Virginia asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Virginia. Let me thank Chairman WAXMAN and the author of this bill, Mr. MURPHY of Connecticut, for reaching out. I think we have a pretty good work product at the end of this. I think what started as a germination of one idea going in one direction, as we sat and discussed and talked about it, we have a more inclusive bill that I think gets the gentleman the information that he thought should be public. But I think is even more encompassing and shines even more sunshine on government. And I'm happy to get up here today and speak for this legislation.

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Specifically, H.R. 3928 will require any nonpublic company receiving more than \$25 million from the Federal sources, whether it is grants, loans, co-

operative agreements, contracts, and other forms of financial assistance and earning 80 percent of its revenue from those sources, to disclose the names and total compensation of the organization's five most highly compensated officers. The mandatory disclosure of this type of information on a public Web site is what will ensue.

As introduced, the bill would have accomplished, I think, a much more limited scope, but in working with the author of this bill, we now expand the Federal Funding Accountability and Transparency Act that was authored last year by myself and Mr. BLUNT and in the Senate by Mr. COBURN and Mr. OBAMA, to include compensation disclosures for all entities receiving more than \$25 million a year.

This isn't a contracting reform bill in the strictest sense of the word, but it is a disclosure bill that I think will shed much sunlight on government. And transparency in government is very fundamental. Sunshine is the best disinfectant.

I want to again thank Chairman WAXMAN and Mr. MURPHY and their staff for a willingness to work to make an open-government bill, one that I think will have good ramifications in the years ahead.

Today we rise to take up H.R. 3928, the Government Funding Transparency Act. This legislation would expand the Federal spending database created by the Federal Funding Accountability and Transparency Act of 2006 to include information about the compensation of management officials of private entities receiving most of their revenues from the Federal Government.

Specifically, H.R. 3928 would require any non-public company receiving more than \$25 million from Federal sources—such as grants, loans, cooperative agreements, contracts, and other forms of financial assistance, and earning 80 percent of its revenue from those sources—to disclose the names and total compensation of the organization's five most highly compensated officers.

As introduced, the bill would have set the threshold at \$5 million from Federal sources instead of the \$25 million threshold in the bill we are considering today; focused exclusively on "contracts" rather than all recipients of Federal funds; required a contract certification regarding the percentage of revenues received from the Federal Government; and placed the salary information on the Federal Procurement Data System, which is only for information on Government acquisitions.

The mandatory disclosure of this type of information—on a public Web site—would have had no useful purpose for contracting officials.

Information regarding salaries of top company officials can be useful under certain cost-type contracts where the Government reimburses a firm for its reasonable and allowable costs plus a fee. Under current acquisition regulations governing such contracts, this information is already available to Government contracting officials. In fact, procurement regulations place a ceiling on executive compensation costs which can be reimbursed under such cost-type contracts.